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June 5, 2003

Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth St., S.W.
Washington, D.C. 20554

**Re: Petition of the Palau National Communications Corp.,
CC Docket No. 96-45**

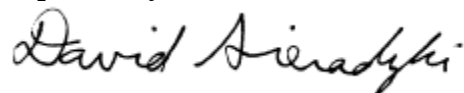
Dear Ms. Dortch:

On behalf of the Palau National Communications Corp. ("PNCC"), I am transmitting a copy of Executive Order No. 215, issued on May 13, 2003 by the Hon. Tommy E. Remengesau, President of the Republic of Palau, designating PNCC as an Eligible Telecommunications Carrier for purposes of receiving federal universal service support, as well as a related legislative enactment by the Olbiil Era Kelulau (the Palauan national legislature).

Separately, pending potential developments relating to negotiations between the Republic of Palau and the United States and possible relevant actions by other branches of government, PNCC respectfully requests that the Commission hold this petition in abeyance. PNCC will notify the Commission when it is prepared to ask the Commission to resume processing the petition.

Please contact me if you have any questions.

Respectfully submitted,



David L. Sieradzki
Counsel for the Palau National
Communications Corp.

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Marlene H. Dortch

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Enclosures

cc: Eric Einhorn
Sharon Webber
Irene Flannery, USAC



Republic of Palau
Office of the President

Tommy E. Remengesau, Jr.
President

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Executive Order No. 215

***Designating the Palau National Communications Corporation
as an Eligible Telecommunications Carrier
for Purposes of Federal Universal Service Support***

WHEREAS, it is in the national interest of the Republic of Palau to promote the development of our telecommunications infrastructure and the deployment of modern and advanced telecommunications technologies as broadly as possible; and

WHEREAS, it is in the national interest of the Republic of Palau to make telecommunications services as widely available as possible to the people of Palau at just and reasonable rates; and

WHEREAS, the Compact of Free Association between the United States and the Republic of Palau provides that the U.S. Federal Communications Commission has jurisdiction pursuant to the U. S. Communications Act of 1934 ("Communications Act"), as amended, over telecommunications common carriers in Palau under specified circumstances; and

WHEREAS, the Palau National Communications Corporation, with the support of the Government of Palau, has filed a petition with the U.S. Federal Communications Commission seeking confirmation that it satisfies the criteria set forth in the Compact for the exercise of such jurisdiction, and for participation in the federal universal service program and the National Exchange Carriers Association ("NECA"); and

WHEREAS, Section 214(e) of the Communications Act and Part 54 of the Federal Communications Commission's rules authorize the commission, board, or official with regulatory jurisdiction over communications carriers in each State and Territory to designate common carriers as "eligible telecommunications carriers" and to make related certifications regarding such carriers; and

WHEREAS, the Olbiil Era Kelulau passed RPPL No. 6-33 designating the President of the Republic of Palau as the "State commission" for the Republic of Palau for the purpose of discharging the responsibilities delegated to "state commissions" under 47 U.S.C. 153(41), 214(e) and other provisions of the U. S. Communications Act, including designating common carriers as "eligible telecommunications carriers" and making related certifications regarding such carriers, and further granted all



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Designating the Palau National Communications Corporation as an Eligible Telecommunications Carrier for Purposes of Federal Universal Service Support

regulatory jurisdiction with respect to intrastate operations of carriers in the Republic of Palau necessary for the President to carry out such duties.

NOW THEREFORE, by virtue of the authority vested in me as President of the Republic of Palau, pursuant to the Constitution and applicable laws of the Republic, it is hereby ordered as follows:

1. I hereby FIND that the Palau National Communications Corporation is a common carrier; that it offers the services that are supported by federal universal service support mechanisms throughout its service area using its own facilities; and that it advertises the availability of such services and the charges therefor using media of general distribution. Accordingly, I hereby FIND that the Palau National Communications Corporation satisfies the criteria required for eligible telecommunications carriers under 47 U.S.C. § 214(e)(1).

2. I hereby FIND that the Palau National Communications Corporation offers each of the services and functionalities supported by federal universal service support mechanisms, including voice grade access to the public switched network; local usage; dual tone multi-frequency signaling or its functional equivalent; single party service or its functional equivalent; access to emergency services; access to operator services; access to interexchange service; and access to directory assistance. I also FIND that exceptional circumstances exist that justify granting the Palau National Communications Corporation an additional three years to complete the network upgrades needed to provide enhanced 911 service and toll limitation for qualifying low-income consumers. Accordingly, I hereby FIND that the Palau National Communications Corporation satisfies the criteria required for eligible telecommunications carriers under 47 C.F.R. § 54.101.

3. In light of the findings above, and consistent with the public interest, convenience, and necessity, I hereby DESIGNATE the Palau National Communications Corporation as an eligible telecommunications carrier, pursuant to 47 U.S.C. § 214(e)(2).

4. I hereby DESIGNATE the service area of the Palau National Communications Corporation, for federal universal service support purposes, as consisting of the inhabited islands of the Republic of Palau in which the Palau National Communications Corporation currently provides service. The states to which service is



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provided, which include all inhabited islands include the following:

- Aimeliik State
- Airai State
- Angaur State
- Hatothobei State
- Kayangel State
- Koror State
- Melekeok State
- Ngaraard State
- Ngarchelong State
- Ngardmau State
- Ngaremlengui State
- Ngatpang State
- Ngchesar State
- Ngiwal State
- Peleliu State
- Sonsorol State

5. I hereby CERTIFY that the Palau National Communications Corporation will use all of the federal universal service support revenues that it receives only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, consistent with 47 U.S.C. § 254(e) and 47 C.F.R. §§ 54.314(a) and 54.904(a).

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 13th day of MAY 2003, at the State of Koror, Republic of Palau.



Tommy E. Remengesau, Jr.
President of the Republic of Palau

SIXTH OLBILL ERA KELULAU

Tenth Regular Session, April 2003

**RPPL No. 6-33
(Introduced as Senate Bill
No. 6-212, SD1)**

AN ACT

To delegate the President, in the absence of a public utilities commission, the power to discharge the responsibilities delegated to "state commissions" under 47 U.S.C. 153(41) and other provisions of the U.S. Communications Act of 1934, as amended, and for other purposes.

THE PEOPLE OF PALAU REPRESENTED IN THE OLBILL ERA KELULAU DO ENACT AS FOLLOWS:

1 Section 1. Findings. The Olbill Era Kelulau hereby finds that:

2 (1) it is in the national interest of the Republic of Palau to promote the
3 development of our telecommunications infrastructure and the deployment of modern
4 and advanced telecommunications technologies as broadly as possible; and

5 (2) it is in the national interest of the Republic of Palau to make
6 telecommunications services as widely available as possible to the people of Palau at just
7 and reasonable rates; and

8 (3) the Compact of Free Association between the United States and the Republic
9 of Palau provides that the U.S. Federal Communications Commission has jurisdiction
10 pursuant to the U.S. Communications Act of 1934, as amended, over telecommunications
11 common carriers in Palau under specified circumstances; and

12 (4) the Palau National Communications Corporation, with the support of the
13 Government of Palau, has filed a petition with the U.S. Federal Communications
14 Commission seeking confirmation that PNCC satisfies the criteria set forth in the
15 Compact for the exercise of such jurisdiction, and for participation in the federal
16 universal service program and the National Exchange Carriers Association; and

17 (5) Section 214(e) of the U.S. Communications Act of 1934, as amended, and
18 Part 54 of the Federal Communications Commission's rules authorize the commission,
19 board, or official with regulatory jurisdiction over communications carriers in each State
20 and Territory to designate common carriers as "eligible telecommunications carriers"
21 and to make related certifications regarding such carriers; and

22 (6) in order for the Republic of Palau to qualify to participate in the U.S. federal

1 universal service program and the National Exchange Carriers Association, and in the
2 absence of a Palau public utilities commission, it is necessary to designate the President,
3 for purposes of FCC regulation, as the "state commission" defined in 47 USC 153(41) as
4 "the commission, board or official that has regulatory jurisdiction with respect to
5 intrastate operations of carriers" for the purposes of 47 USC 214(e)(1).

6 Section 2. Amendment. 15 PNC Chapter 3 is hereby amended by adding a new
7 Section 326 as follows:

8 "§326. Regulatory Authority of President. The President of the Republic
9 of Palau is hereby designated as the "State commission" for the Republic of Palau
10 for the sole purpose of designating common carriers as "eligible
11 telecommunications carriers" and to make related certifications regarding such
12 carriers, and is hereby granted all regulatory jurisdiction with respect to
13 intrastate operations of carriers in the Republic of Palau necessary for the
14 President to carry out such duties."

15 Section 3. Effective date. This Act shall take effect upon its approval by the
16 President of the Republic or upon its becoming law without such approval, except as
17 otherwise provided by law.

PASSED: May 01, 2003

Approved this 15th day of May, 2003.


Tommy E. Remengesau, Jr.
President of the Republic of Palau